

**GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:5240
ANSWERED ON:25.04.2003
LOAN FROM FFI
RAVINDRA KUMAR PANDEY;V. VETRISILVAN

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

- (a) the details of the loans taken by the Government from foreign financial institutions during the last three years, State-wise and Institution-wise;
- (b) the rate of interest paid thereon;
- (c) whether the Union Government monitors the loan taken by the State Government from these FFIs; and
- (d) if so, the procedure adopted in this regard.

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO V. ADSUL)

- (a) The details are annexed.
- (b) The rate of interest is as under:

- International Bank for Reconstruction and Development (IBRD)
- The rate of interest is variable every 6 months.

(i) Currency Pooled Loans (VLR-1989)

Interest rate is determined based on the cost of qualified borrowings plus a spread.

The lending rate applicable for the period from 01-01-2002 to 30-06-2002 is as under:-

Loans for which invitation for negotiation was issued prior to 31.07.1998	5.03% p.a. (includes spread of 50 basis points)
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Loans for which invitation for negotiation was issued after 31.7.1998	5.28% p.a. (includes a spread of 75 basis points)
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(ii) US \$ Floating Rate Single Currency Loans

Interest rate is determined based on 6 month LIBOR rate plus a variable spread.

The rate applicable for interest payment date beginning 15-07-2002 to 14-1-2003 is as follows:-

Loans for which invitation for negotiation was issued prior	1.95% p.a. (with a spread of 21 basis
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to 31-07-1998 points)

Loans for which invitation for negotiation was issued on or after 31-07-1998 2.20% p.a. (with a spread of 46 basis points)

International Development Association (IDA)

The rate of interest is 0.75%.
The interest is termed as Service Charge.

International Fund for Agriculture Development (IFAD)

The rate of interest is 0.75%.
The interest is termed as Service Charge.

Asian Development Bank (ADB)

- The rate of interest is variable every six months.

- The interest rate is determined based on average cost of preceding six months of the respective pools of outstanding borrowings established to fund such loans.

- The lending rate for the period 1-7-2002 to 31-12-2002 is 6.34% on single currency US \$ loans and 3.91% on multi-currency loans.

(c) Yes, Sir.

(d) The monitoring is done by the Administrative Ministries of the Central Government, concerned Credit Divisions and the Project Management Unit in the Department of Economic Affairs (DEA) DEA holds regular meetings with executing agencies and donors. Some of the steps taken by the Government to improve aid utilization are ensuring adequate provisioning for externally aided projects in the budgets of State and Central Govt., streamlining of procurement procedures, disintermediation of flow of external aid to Central Public Sector Undertakings, strengthening of Project Monitoring Units in some States and Central Ministries, appointment of Nodal Officers for the States and regular review of projects with respect to quality at entry, etc.

ANNEXURE

(REFERRED TO IN REPLY TO LOK SABHA UNSTARRED QUESTION NO. 5240 DATED 25.4.03)

LOANS TAKEN BY GOVERNMENT FROM FOREIGN FINANCIAL INSTITUTIONS

Amount in Rs. Crore

S.No.	Loan Title	Agreement Date	Donor	Amount	State(s)
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1	AP Economic Restructuring	4.2.99	IBRD	1266.71	AP
2	AP Power Restructuring Project	5.3.99	IBRD	882.87	AP
3	AP Economic Reform Program	15.3.02	IBRD	595.65	AP
4	PPF-AP Forestry Management Project	10.12.01	IDA	7.15	AP

5	Delhi Water Supply & Sanitation	16.8.99	IBRD	10.82	Delhi
6	Gujarat Power Sector Dev. Prog.	14.12.00	ADB	683.84	Gujarat
7	Gujarat Power Sector Dev. Project	14.12.00	ADB	911.79	Gujarat
8	Guj. Earthquake Rehab. & Reconstrn.	26.4.01	ADB	2382.6	Gujarat
9	Gujarat State Highway Project	18.10.00	IBRD	1736.96	Gujarat
10	Karnataka Urban Dev., Coastal Env.	19.5.00	ADB	797.81	KTK
11	Karnataka State Highways Impr.	26.7.01	IBRD	1715.47	KTK
12	Karnataka Economic Restructrn. Prog.	26.7.01	IBRD	357.39	KTK
13	Karnataka Eco. Restructrn. Prog.-II	15.3.02	IBRD	238.26	KTK
14	Karnataka Water Supply Mgmt. & MS	23.12.99	IBRD	6.49	KTK
15	Modern. Govt. & Fiscal Reform Kerala	16.12.02	ADB	967.83	Kerala
16	Kerala State Transport Project	6.5.02	IBRD	1233.99	Kerala
17	Mumbai Urban Transport Project	5.8.02	IBRD	2240.54	Mah.
18	MP Public Resources Mgmt. Program	14.12.99	ADB	1081.83	MP
19	MP Power Sector Development Project	21.3.02	ADB	953.04	MP
20	MP State Roads Sector Dev. Program	5.12.02	ADB	145.17	MP
21	MP State Roads Sector Dev. Project	5.12.02	ADB	725.88	MP
22	Integrated Watershed Dev. (Hills II)	14.7.99	IBRD	367.82	Multistates
23	Rajasthan Urban Infrastructure Dev.	1.12.99	ADB	1081.83	Raj.
24	Rajasthan Power Sector Restructrn.	27.2.01	IBRD	820.61	Raj.
25	Second Tamil Nadu Urban Development	14.7.99	IBRD	454.37	TN
26	UP Power Sector Restructuring	19.5.00	IBRD	683.84	UP
27	UP Fiscal Reform & Pub. Sec. Restr.	16.5.00	IBRD	575.66	UP
28	Uttar Pradesh State Road Project	19.2.03	IBRD	2361.52	UP
29	Calcutta Environmental Improvement	18.12.01	ADB	1191.3	WB
30	WB Corridor Development Project	10.12.02	ADB	1016.23	WB
31	Calcutta Water Sply Sew. & Drainage	23.7.99	IBRD	10.82	WB
32	AP Economic Restructuring Project	4.2.99	IDA	1021.73	AP
33	AP District Poverty Initiatives	12.5.00	IDA	493.47	AP
34	AP Economic Program	15.3.02	IDA	608.01	AP
35	AP Community Forest Management	8.10.02	IDA	548.12	AP
36	Gujarat Emergency Earthquake Reconrn.	4.6.02	IDA	2282.24	Gujarat
37	Livelihood Security-Earthquake Guj.	18.2.02	IFAD	70.13	Gujarat
38	Karnataka Economic Restrtn. Program	26.7.01	IDA	354.57	KTK
39	Karnataka Watershed Dev. Project	26.7.01	IDA	475.57	KTK
40	Second KTK Rural Water Sply & San.	8.3.02	IDA	716.37	KTK
41	Karnataka Economic Restrtn. Prog II	15.3.02	IDA	243.81	KTK
42	Karnataka Community-Based Tank Mgmt	4.6.02	IDA	512.86	KTK
43	Kerala Rural Water Sply & Env. San.	4.1.01	IDA	298.22	Kerala
44	Mumbai Urban Transport Project	5.8.02	IDA	400.67	Mah.
45	MP District Poverty Initiatives	5.12.00	IDA	501.2	MP
46	Integrated Watershed Dev. (Hills II)	14.7.99	IDA	217.83	Multistates
47	UP Health Systems Development	19.5.00	IDA	488.7	Multistates
48	Third Technical Education Project	18.10.00	IDA	291.08	Multistates
49	Tech./Engg. Edn. Quality Improvement	4.2.03	IDA	1211.64	Multistates
50	Jharkhand-Chhatisharh Tribal Dev.	25.6.99	IFAD	100.06	Multistates
51	Mizoram State Roads Project	6.5.02	IDA	304.51	Mizoram
52	Orissa Water Res. Consolidation Pt-H	18.12.00	IDA	208.34	Orissa
53	Rajasthan Dist. Poverty Initiatives	12.5.00	IDA	446.44	Raj.
54	Rajasthan Second Dist. Primary Edn.	27.7.01	IDA	352.17	Raj.
55	Rajasthan Water Sector Restructuring	15.3.02	IDA	662.19	Raj.
56	Maharashtra Health Systems Dev.	14.1.99	IDA	557.57	Mah.
57	Uttar Pradesh Sodic Land Recl.-II	4.2.99	IDA	807.02	UP
58	UP Fiscal Reform & Pub. Sec. Restr.	16.5.00	IDA	555.37	UP
59	UP Water Sector Restructuring	8.3.02	IDA	704.33	UP